

**South Ayrshire Council**

**Report by Chief Financial Officer  
to Cabinet  
of 17<sup>th</sup> March 2026**

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**Subject: Budget Management – Revenue Budgetary Control  
2025/26 – Position at 31 January 2026**

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**1. Purpose**

- 1.1 The purpose of this report is to present Members with a financial overview of the General Services revenue account, Housing Revenue Account and Common Good Accounts for 2025/26 as at 31 January 2026.

**2. Recommendation**

**2.1 It is recommended that the Cabinet:**

- 2.1.1 notes the revised Directorate budgets following the budget movements outlined in 3.3 below;**
- 2.1.2 approves the budget transfers as outlined in the Directorate financial performance reports at Appendix 1 and summarised in 4.1.6 below;**
- 2.1.3 approves the requested earmarking of resources to be carried forward to 2026/27 as summarised in 4.1.7;**
- 2.1.4 notes the projected General Services in year under-spend of £2.827m after earmarking and a projected uncommitted general reserve balance of £9.614m; and**
- 2.1.5 notes the revised HSCP projected overspend of £0.509m.**

**3. Background**

**3.1 The budget management report contains overview information for the following:**

- 3.1.1 General Services Revenue - Appendix 1a to f (*pages 1 to 20*);**
- 3.1.2 Housing Revenue Account - Appendix 1g (*page 21*); and**
- 3.1.3 Common Good Funds - Appendix 1h (*page 23*).**

- 3.2 As detailed in the Budget Management – Revenue Budgetary Control 2025/26 – Position Statement at 30 November 2025, presented to the Cabinet of 26 January 2026, revisions to the 2025/26 revenue budget and other transfers actioned in line**

with Financial Regulations rules on budget transfers, resulted in revised planned net expenditure of £374.495m at period 8.

3.3 Directorate planned spending has been adjusted further to incorporate several new adjustments which required to be actioned since the Period 8 Budget Monitoring Report presented to Cabinet in January:

3.3.1 additional notifications of funding from the Scottish Government for:

- (i) £0.115m for Scottish Welfare Fund top up;
- (ii) £1.397m for Education probationary teachers;
- (iii) £1.696m confirmed funding for Local Authority pay uplifts;
- (iv) £0.623m for Teacher pay uplifts;
- (v) £0.038m for Discretionary Housing Payment top up;
- (vi) £0.020m for Rapid Rehousing Transition Plan top up;
- (vii) £0.009m for Single Use Vape funding;
- (viii) £0.095m for Ukraine and others resettlement funding;
- (ix) £0.009m for Prisoner Early release funding; and
- (x) £0.032m for Electoral Registration Officers (to be passported through to AVJB);

3.3.2 a reduction in previously notified Scottish Government funding for Children's Social Care Pay of £0.055m (passporting through to HSCP); and

3.3.3 other budget transfers between Directorates actioned in line with Financial Regulations rules on budget transfers.

3.4 Table 1 below summarises the revised 2025/26 General Services budget at 31 January 2026 inclusive of the budget adjustments outlined in 3.3 above.

**Table 1/**

**Table 1 – Budget movement**

<i>Directorate/ Account</i>	<i>Period 8 Budget £m</i>	<i>Budget adjustment (per 3.3) £m</i>	<i>Revised Period 10 Budget £m</i>
CEX	22.024	0.383	<b>22.407</b>
Communities and Transformation	23.277	0.308	<b>23.585</b>
Education	150.864	1.968	<b>152.832</b>
Housing, Operations and Development	46.487	0.697	<b>47.184</b>
HSC	105.471	0.097	<b>105.568</b>
Misc. Services Account	26.372	0.692	<b>27.064</b>
<b>Total Expenditure</b>	<b>374.495</b>	<b>4.145</b>	<b>378.640</b>
General Revenue Grant	(248.369)	(3.994)	(252.363)
NDRI	(49.811)	-	(49.811)
Council Tax	(73.508)	-	(73.508)
Use of earmarked reserves brought forward from 2024/25 to support 2025/26 expenditure commitments	(2.807)	(0.151)	(2.958)
<b>Total Income</b>	<b>(374.495)</b>	<b>(4.145)</b>	<b>(378.640)</b>
<b>Net Expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>

3.5 In relation to the Health and Social Care Partnership (HSCP). Table 1 above shows the adjusted 2025/26 budget delegated from the Council to be overseen by the Integration Joint Board (IJB). Appendix 1e provides an overview statement of the current financial budget and projected out-turn position for the Council element for 2025/26.

3.6 The approved Council budget includes pay uplifts for Council employees of 3% for 2025/26, however final confirmation of an uplift of 4% has been received for SNCT, SNJC and Craft workers bargaining groups which is 1% greater than budgeted.

3.7 The Scottish Government has identified additional funding of £79m to be allocated to Councils to help offset this additional cost. South Ayrshire Council's share of this funding is confirmed as £1.696m. Of this allocation, £0.345m has been allocated to HSCP as a pro-rata share of the funding to partially meet the expected increased cost within the partnership. In addition the Scottish Government has provided £29m of funding towards teacher pay uplifts. South Ayrshire Council's share of this is £0.623m.

#### **4. Detail**

##### **4.1 Overview of Directorate/ Accounts' position as at 31 January 2026**

4.1.1 Appendix 1a to f to this report provides financial performance information in the form of a report for each Directorate/ account for the period to 31 January 2026.

- 4.1.2 Table 2 below provides a summarised position on a Directorate/ account basis and indicates an overall projected under-spend for the year (excluding HSCP) of £2.827m after requested earmarking of £1.917m.

**Table 2 – Projected under/(over) spend**

<i>Directorate/ Account</i>	<i>Projected under/ (over) spend £m (i)</i>	<i>Pay funding allocation £m (ii)</i>	<i>Earmarking approved/ requested £m (iii)</i>	<i>Revised Projected under/ (over) spend £m (iv)</i>
Chief Executive	1.069	0.124	(0.665)	0.528
Communities and Transformation	1.048	0.170	(0.085)	1.133
Education	(1.199)	1.304	(0.155)	(0.050)
Housing, Operations and Development	1.277	0.339	(1.012)	0.604
Miscellaneous Services Account	2.319	(2.282)	-	0.037
<b>Total Net (expenditure)/surplus</b>	<b>4.514</b>	<b>(0.345)</b>	<b>(1.917)</b>	<b>2.252</b>
Council Tax income (see 4.1.4 below)	0.575	-	-	0.575
<b>Net in year projected surplus/(deficit)</b>	<b>5.089</b>	<b>(0.345)</b>	<b>(1.917)</b>	<b>2.827</b>

- 4.1.3 **Pay uplifts** – As noted in 3.11 agreement has been reached with all the trade unions for a 4% uplift in pay in 2025/26. This additional cost has been included in the actual projected out-turn for all directorates in Table 2 col (i) above, however the confirmed funding from the Scottish Government is being held centrally within Miscellaneous Services and has been reallocated to services in Table 2 col (ii), based on a pro-rata allocation to each directorate. As noted in 3.7 above, £0.345m has been allocated to the HSCP.
- 4.1.4 **Council Tax Income** – A review of the current collection rates and number of properties indicates they are on target to exceed income expectations by £0.575m at this stage. This is primarily due to an increase in the number of chargeable properties than originally estimated.
- 4.1.5 **Health and Social Care Partnership** – details of the projected out-turn information can be found within Appendix 1e which indicates a projected in year overspend of £0.509m for 2025/26. This is a significant improvement from the £1.603m overspend projected in January 2026. Work will continue to reduce and minimise costs with the aim of reducing the remaining overspend further.

It should be noted that this is a draft position statement pending the formal financial monitoring report being presented to the Integration Joint Board (IJB) meeting on 11 March 2026, therefore the figures contained in Appendix 1e may be updated prior to the formal reporting in March.

- 4.1.6 **Budget Transfers** - Members are asked to consider and approve the budget transfer requests for each Directorate as outlined in Appendix 1a to 1f summarised in total in table 3 below (by Directorate).

**Table 3 – Budget Transfers**

<i>Directorate/ Account</i>	<i>Dr £m</i>	<i>Cr £m</i>	<i>Appendix ref:</i>
Chief Executive's	0.314	0.314	1a – page 4
Communities & Transformation	0.415	0.415	1b –page 7
HOD	0.095	0.095	1d –page16
<b>Total</b>	<b>0.824</b>	<b>0.824</b>	

- 4.1.7 **Earmarking** – Members are asked to consider and approve the new earmarking request to be carried forward to 2026/27 for each Directorate as outlined in Appendix 1a to 1g summarised in total in table 4 below (by Directorate).

**Table 4 – Period 10 Earmarking**

<i>Directorate/Account</i>	<i>Previously approved £m</i>	<i>New Period 10 request £m</i>	<i>Total £m</i>	<i>Appendix ref:</i>
Chief Executive's	0.122	0.543	0.665	1a – page 4
Communities & Transformation	0.085	-	0.085	1b – page 7
Education	0.055	0.100	0.155	1c – page 12
HOD	0.260	0.752	1.012	1d – page 17
<b>Total General Services</b>	<b>0.522</b>	<b>1.395</b>	<b>1.917</b>	
<b>Housing Revenue Account</b>	-	<b>0.500</b>	<b>0.500</b>	1g – page 23

#### 4.2 **General Services – Summary of Current Financial Revenue Position**

- 4.2.1 The audited 2024/25 Annual Accounts showed an accumulated surplus at 31 March 2025 of £23.270m and of this, £18.466m was set aside or earmarked for specific purposes leaving an uncommitted balance of £4.804m for General Services. Appendix 2 provides detail of the amounts set aside from the accumulated sum together with the impact of agreed movements and of the current year directorate net year-end under-spend projections of £2.827m (after earmarking) outlined in Table 2 at 4.1.2 above.

- 4.2.2 Table 5 below indicates that a year-end £9.614m uncommitted general services balance is currently projected at 31 March 2026. This equates to 3.42 per cent of estimated planned spend for 2026/27 (excluding HSCP).

This is within the 2 to 4 per cent required by Council policy for uncommitted general reserves.

**Table 5 – General Services accumulated uncommitted reserves**

	<b>£m</b>
Audited opening reserves	23.270
Commitments (per Appendix 2)	(18.466)
<b>Uncommitted surplus brought forward from 2024/25</b>	<b>4.804</b>
In year contribution (per Feb 2025 Council budget agreement)	3.928
New agreed commitments (see Appendix 2)	(0.580)
Period 10 Directorate 2025/26 projections (per table 2 above)	2.827
New 2026/27 Budget commitment (per council of 5 March 2026)	(1.365)
<b>Projected accumulated uncommitted reserve</b>	<b>9.614</b>

4.2.3 As a minimum this uncommitted reserve position should be maintained at this level with limited further future draws from reserves being approved. Continued good progress and improvements in the in-year directorate projected position may have a positive effect on the use of uncommitted reserves in future budget strategies.

#### 4.3 **Housing Revenue Account Balance**

4.3.1 **Summary of Current Financial Position** – as outlined in Appendix 1e the current projected ‘in year’ underspend as at 31 March 2026 is £2.053m. When the in-year overspend is added to the current uncommitted surplus, identified in Table 4 of Appendix 1e, this results in an overall revised projected uncommitted surplus of £2.154m for the HRA.

#### 4.4 **Common Good Funds**

4.4.1 **Summary of Current Financial Position** – the current projected accumulated revenue surplus for each individual fund, inclusive of the impact of the revised arrangement, is outlined in Appendix 1h. Overall, at 31 March 2026, a combined projected accumulated revenue surplus of £0.440m is anticipated together with a projected combined capital reserve of £0.192m.

### 5. **Legal and Procurement Implications**

5.1 There are no legal implications arising from this report.

5.2 There are no procurement implications arising from this report.

### 6. **Financial Implications**

6.1 An accumulated uncommitted surplus of £9.614m is currently projected for General Services, excluding HSCP.

6.2 A £2.154m accumulated uncommitted surplus is projected for the Housing Revenue Account and a combined £0.440m accumulated surplus is currently projected for the Common Good Funds.

## 7. Human Resources Implications

7.1 There are no specific human resource implications arising directly from this report. Any indirect implications are being managed on an operational basis by the Service Directorates.

## 8. Risk

### 8.1 *Risk Implications of Adopting the Recommendations*

8.1.1 There are no risks associated with adopting the recommendations.

### 8.2 *Risk Implications of Rejecting the Recommendations*

8.2.1 There are no risks associated with rejecting the recommendations.

## 9. Integrated Impact Assessment (incorporating Equalities)

9.1 The proposals in this report do not require to be assessed through an Integrated Impact Assessment.

## 10. Sustainable Development Implications

10.1 ***Considering Strategic Environmental Assessment (SEA)*** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

## 11. Options Appraisal

11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

## 12. Link to Council Plan

12.1 The matters referred to in this report contribute to Priority1 of the Council Plan: Efficient and effective enabling services.

13. **Link to Shaping Our Future Council** Yes  No

13.1 Not applicable.

## 14. Results of Consultation

14.1 There has been no public consultation on the contents of this report.

14.2 Consultation has taken place with Councillor Ian Davis, Policy Lead for Finance and Corporate Services, and the contents of this report reflect any feedback provided.

## 15. Next Steps for Decision Tracking

- 15.1 If the recommendations above are approved by Members, the Chief Financial Officer will ensure that all necessary steps are taken to ensure full implementation of the decision within the following timescales, with the completion status reported to the Cabinet in the 'Council and Cabinet Decision Log' at each of its meetings until such time as the decision is fully implemented:

Implementation	Due date	Managed by
Action the budget transfers in the financial ledger as outlined in the Directorate financial performance reports at Appendix 1 and summarised in 4.1.6	31 March 2026	Chief Financial Officer

**Background Papers**    **Report to South Ayrshire Council of 14 May 2025 - [Common Good Funds: Finance, Governance and Property Review](#)**  
**Report to Cabinet of 26 August 2025 - [Budget Management – Revenue Budgetary Control 2025/26 – Position at 30 June 2025](#)**

**Person to Contact**    **Tim Baulk, Chief Financial Officer**  
**County Buildings, Wellington Square, Ayr, KA7 1DR**  
**Phone 01292 612612**  
**E-mail [tim.baulk@south-ayrshire.gov.uk](mailto:tim.baulk@south-ayrshire.gov.uk)**

**Date: 5 March 2026**

# Budget Management Report to 31 January 2026 (Period 10)

## Appendix 1

Ref.	Directorate/ Account	Pages
1a	Chief Executive's Strategic Office	1 to 5
1b	Communities and Transformation	6 to 9
1c	Education	10 to 12
1d	Housing, Operations and Development	13 to 17
1e	Health & Social Care	18
1f	Miscellaneous Services Account	19 to 20
1g	Housing Revenue Account	21 to 22
1h	Common Good Funds	23 to 24

This appendix outlines the **key financial issues** for each directorate or account (Tables 1 to 3), together with **other financial information** (Tables 4 to 8).

## Chief Executive's Office

Table 1 - Objective Analysis

Actual Expenditure to 31 January £'000	Service	Full Year Budget 2025/26 £'000	Projected FY Actual to 31 March £'000	Projected FY Variance Favourable /(Adverse) £'000
471	<b>Chief Executive &amp; Support</b>	462	578	(116)
2,062	<b>Corporate Strategy, Policy &amp; Performance</b>	3,408	3,007	401
	<b>Finance and Procurement Services:</b>			
171	Chief Financial Officer	198	198	0
1,631	Corporate Finance and Accounting	2,197	2,116	81
5,388	Revenues and Benefits	5,936	5,936	0
618	Strategic Procurement	896	801	95
7,808	<b>Total Finance and Procurement Services</b>	9,227	9,051	176
	<b>Regulatory Services:</b>			
142	Head of Regulatory Services	171	171	0
121	Civil Contingencies & Business Continuity	83	73	10
2,245	Democratic Governance Services	2,576	2,495	81
377	Insurance, Risk & Safety Management	601	478	123
671	Legal & Licensing Services	963	921	42
1,415	Trading Standards & Environmental Health	1,810	1,760	50
4,971	<b>Total Regulatory Services</b>	6,204	5,898	306
2,219	<b>Human Resources &amp; Payroll</b>	2,758	2,481	277
247	<b>Performance Appraisal &amp; Audit</b>	347	322	25
17,778	<b>Total Chief Executive's Office</b>	22,406	21,337	1,069

Table 2 - Subjective Analysis

Actual Expenditure to 31 January £'000	Account	Full Year Budget 2025/26 £'000	Projected FY Actual to 31 March £'000	Projected FY Variance Favourable /(Adverse) £'000
13,300	Employee costs	17,487	16,867	620
11	Property costs	330	296	34
1,006	Supplies and services costs	920	970	(50)
73	Transport costs	104	82	22
619	Administrative costs	859	798	61
3,036	Third party payments	5,044	4,596	448
16,401	Transfer payments	25,985	25,978	7
12	Financing costs	12	12	0
34,458	<b>Gross expenditure</b>	50,741	49,599	1,142
(16,680)	Gross income	(28,335)	(28,262)	(73)
17,778	<b>Net expenditure</b>	22,406	21,337	1,069

**Table 3 - Analysis of Significant Variances**

Projected FY Variance favourable /(adverse) £'000	<b>Chief Executive &amp; Support</b>
(116)	<p><b>Chief Executive &amp; Support</b> - projected overspend of £0.116m as a result of ;</p> <p><b>Employee Costs</b> - projected overspend of £0.036m due to additional staffing costs.</p> <p><b>Supplies &amp; Services Costs</b> - projected overspend of £0.054m mainly due to legal and consultant fees incurred.</p> <p><b>Administrative Costs</b> - projected overspend of £0.026m related to Solace costs incurred as part of the advertisement and recruitment for chief officer posts.</p>
<b>(116)</b>	<b>Total projected variance</b>

Projected FY Variance favourable /(adverse) £'000	<b>Corporate Strategy, Policy &amp; Performance</b>
401	<p><b>Corporate Strategy, Policy &amp; Performance</b> - projected underspend of £0.401m as a result of ;</p> <p><b>Employee Costs</b> - projected underspend of £0.042m as a result of current vacancies</p> <p><b>Property Costs</b> - projected underspend of £0.020m in private sector housing grants admin budgets.</p> <p><b>Third Party Payments</b> - projected underspend of £0.346 mainly due to an underspend within the Public Sector Reform budget (£0.278m), as well underspends in the Housing 1st and Rapid Rehousing Transition plans totalling £0.060m. There is also an underspend of £0.026m in the Nature Restoration Fund grant of £0.026m.</p> <p><b>Income</b> - projected under recovery of £0.010m in Private Landlord and HMO licensing and registration fee income.</p> <p>Members previously approved earmarking (see <b>Table 5</b> below) of the service underspend for carry forward to 2026/27 to fund the cost of the Housing First Team Leader post. Members are now requested to approve earmarking (see <b>Table 5</b> below) of the service underspend within Public Sector Reform (£0.278m) and Nature Restoration Fund grant (£0.026m) for carry forward to 2026/27 to continue to fund ongoing projects.</p>
<b>0</b>	<b>Total projected variance</b>

Projected FY Variance favourable /(adverse) £'000	<b>Finance and Procurement Services</b>
0	<b>Chief Financial Officer</b> - projected online.
81	<p><b>Corporate Finance</b> - projected underspend of £0.081m as a result of:</p> <p><b>Employee Costs</b> - projected underspend of £0.081m due to current vacancies.</p>
0	<p><b>Revenues &amp; Benefits</b> - projected online as a result of;</p> <p><b>Employee Costs</b> - projected underspend £0.003m due to the current level of vacancies.</p> <p><b>Administrative Costs</b> - projected overspend of £0.070m as a result of increased postage costs.</p> <p><b>Income</b> - projected over recovery of income of £0.073m mainly due to the introduction of the Corporate Appointee Scheme.</p>
95	<p><b>Strategic Procurement</b> - projected underspend of £0.095m as a result of;</p> <p><b>Employee Costs</b> - projected underspend of £0.050m due to current vacancies.</p> <p><b>Supplies &amp; Services Costs</b> - projected underspend of £0.049m, in relation to the Scotland Excel Savings Programme. As this programme covers 2 financial years, Members are requested to approve earmarking of this underspend for carry forward to 2026/27 to fund the remaining contract costs (see <b>Table 5</b> below).</p> <p><b>Administrative Costs</b> - projected underspend of £0.011m mainly related to reduced printing costs.</p> <p><b>Income</b> - projected under-recovery of income of £0.015m due to lower contract rebates and early payment discounts received than expected.</p>
<b>176</b>	<b>Total projected variance</b>

Projected FY Variance favourable /(adverse) £'000	Regulatory Services
10	<p><b>Civil Contingencies</b> - projected underspend of £0.010m as a result of:  <b>Employee Costs</b> - projected underspend of £0.035m as a result of current vacancies.  <b>Income</b> - projected under-recovery of £0.025m due to a reduction in the work carried out for external agencies.</p>
81	<p><b>Democratic &amp; Governance Services</b> - projected underspend of £0.081m as a result of;  <b>Employee Costs</b> - projected underspend of £0.096m due to current vacancies.  <b>Property Costs</b> - projected underspend of £0.009m across various small budget lines.  <b>Supplies &amp; Services Costs</b> - projected underspend of £0.010m mainly due to reduced Safeguarders fees.  <b>Transport Costs</b> - projected underspend of £0.013m due to less vehicle hire, fuel and mileage.  <b>Administrative Costs</b> - projected overspend of £0.033m due to costs associated with the Ward 3 North Ayr By-Election.  <b>Income</b> - projected under- recovery of income of £0.078m, mainly due to marriage fee income target levels being higher than achievable.</p>
123	<p><b>Risk &amp; Safety Management</b> - projected underspend of £0.123m as a result of:  <b>Employee Costs</b> - projected underspend of £0.109m as a result of current vacancies.  <b>Administrative Costs</b> - projected underspend of £0.014m on risk reduction initiatives.</p> <p>Members previously approved earmarking of £0.080m of the service underspend for carry forward to 2026/27 (see <b>Table 5</b> below) to fund the necessary backfilling of 2 posts due to maternity leave to ensure service continuity</p>
42	<p><b>Legal Services</b> - projected underspend of £0.042m as a result of;  <b>Employee Costs</b> - projected underspend of £0.061m due to the current level of vacancies  <b>Supplies &amp; Services Costs</b> - projected overspend of £0.065m on external legal fees.  <b>Administrative Costs</b> - projected overspend of £0.011m on membership fees and subscriptions.  <b>Income</b> - projected under-recovery of income of £0.027m, due to Licencing fee and recharge of Court fees income target levels being higher than currently achievable.</p>
50	<p><b>Trading Standards &amp; Environmental Health</b> - projected underspend of £0.050m;  <b>Employee Costs</b> - projected underspend of £0.019m due to the current level of vacancies.  <b>Property Costs</b> - projected underspend of £0.005m due to small underspends across various budget lines.  <b>Supplies &amp; Services Costs</b> - projected underspend of £0.020m across various small budget lines.  <b>Transport Costs</b> - projected underspend of £0.009m due to less vehicle, fuel and mileage costs.  <b>Administrative Costs</b> - projected overspend of £0.017m mainly related to Public Health Act funerals which the Council is required to pay for.  <b>Income</b> - projected over-recovery of £0.015m due to additional income from Food Standards Scotland.</p>
<b>306</b>	<b>Total projected variance</b>

Projected FY Variance favourable /(adverse) £'000	Human Resources & Payroll
277	<p><b>Human Resources &amp; Payroll</b> - projected underspend of £0.277m;  <b>Employee Costs</b> - projected underspend of £0.052m due to the current level of vacancies.  <b>Supplies &amp; Services Costs</b> - projected overspend of £0.010m in relation to legacy costs for the previous flexi system.  <b>Administrative Costs</b> - projected underspend of £0.190m in the workforce development and succession plan budget. This budget will be required for 2026/27 and Members are requested to approve earmarking of this underspend for carry forward to 2026/27 to support this work (see <b>Table 5</b> below).  <b>Third Party Payments</b> - projected underspend of £0.045m due to savings resulting from the new Occupational Health provider contract.</p>
<b>277</b>	<b>Total projected variance</b>

Projected FY Variance favourable / (adverse) £'000	Performance Appraisal & Audit
25	Performance, Appraisal & Audit - projected underspend of £0.025m as a result of current vacancies.
<b>25</b>	<b>Total projected variance</b>

**Table 4 - Budget Transfer Requests**

Budget Transfer Requests:		DR £'000	CR £'000
<b>1</b>	Housing Policy/Property Costs		11
	Housing Policy/Administrative Costs		50
	Housing Policy/Third Party Payments	36	97
	Housing Policy/Income	158	36
	<i>Being realignment of Social Letting Service and Private Leased Accommodation budgets in line with expected income</i>		
<b>2</b>	Corporate Policy/Third Party Payments	120	
	Housing Policy/Third Party Payments		120
	<i>Transfer funding towards funding posts within the Integrated Neighbourhood Team in Ayr North</i>		
<b>Total</b>		<b>314</b>	<b>314</b>

**Table 5 - Earmarking Requests**

	Objective/ Subjective	Amount £'000
<b>Previously approved requests:</b>		
To fund 2 posts temporarily due to maternity leave	Risk & Safety/Employee Costs	80
Housing First Team Leader post	Corporate Strategy/Employee Costs	42
		<b>122</b>
<b>New requests:</b>		
Workforce Development - to support career pathways and ensure services have a pipeline of future talent in line with Public Sector Reform - ongoing project	Human Resources/Administrative costs	190
Nature Restoration Fund - ongoing project	Corporate Strategy/Third party payments	278
Scotland Excel Savings Programme - year 2	Corporate Strategy/Third party payments	26
	Procurement/Supplies & Services Costs	49
<b>Total New Requests</b>		<b>543</b>
<b>Total</b>		<b>665</b>

**Table 6 - Efficiency Savings**

Efficiency savings:	Target £'000	Anticipated shortfall £'000
Corporate Accounting - recover fees from externally funded projects	25	0
Corporate Procurement - increase contract rebate income target	40	0
Corporate Procurement - introduce supplier early payment discount scheme	15	0
Corporate Procurement - reduce various Supplies & services costs budget	3	0
Employee Services – Increase employee benefits income target	35	0
Revenues & Benefits – Increase Scottish Water contribution grant income target to	53	0
Trading Standards & Environmental Health – review and increase fees by 5%	5	0
Corporate Strategy, Policy & Performance – Structure review	86	0
<b>Total</b>	<b>262</b>	<b>0</b>
<b>Comments:</b>		

**Table 7 - Payroll Management**

<b>Payroll Management:</b>	<b>Target £'000</b>	<b>Achieved at period 10 £'000</b>
Payroll Management - Corporate Target	637	531
<b>Total</b>	<b>637</b>	<b>531</b>
<b>Comments:</b> The payroll management target is projected to be achieved in full.		

**Table 8 - Grant Income**

<b>New Grants Received:</b>		
<b>Amount £'000</b>	<b>Grant name/ body</b>	<b>Grant purpose</b>
0		
<b>Comments:</b>		

## Communities &amp; Transformation Directorate

Table 1 - Objective Analysis

Actual Expenditure to 31 January £'000	Service	Full Year Budget 2025/26 £'000	Projected Full Year Actual to 31 March £'000	Projected FY Variance favourable /(adverse) £'000
357	<b>Directorate</b>	638	38	600
	<b>Communities</b>			
3,782	Thriving Communities	5,825	5,675	150
3,675	Sport, Leisure and Golf	5,085	4,980	105
3,260	Destination South Ayrshire	4,403	4,271	132
<b>10,717</b>	<b>Total Communities</b>	<b>15,313</b>	<b>14,926</b>	<b>387</b>
	<b>Transformation</b>			
3,953	ICT Strategy & Delivery	4,803	4,603	200
1,923	Customer Services & Public Affairs	2,394	2,333	61
513	Transformation	437	637	(200)
<b>6,389</b>	<b>Total Strategic Change</b>	<b>7,634</b>	<b>7,573</b>	<b>61</b>
<b>17,463</b>	<b>Total Communities &amp; Transformation</b>	<b>23,585</b>	<b>22,537</b>	<b>1,048</b>

Table 2 - Subjective Analysis

Actual Expenditure to 31 January £'000	Account	Full Year Budget 2025/26 £'000	Projected Full Year Actual to 31 March £'000	Projected FY Variance favourable /(adverse) £'000
18,461	Employee costs	23,917	23,026	891
3,332	Property costs	3,520	3,413	107
4,408	Supplies and services costs	4,223	4,023	200
1,050	Transport costs	867	867	0
743	Administrative costs	708	653	55
1,715	Third party payments	1,715	1,915	(200)
6	Transfer payments	10	10	0
	Financing costs	0	0	0
<b>29,715</b>	<b>Gross expenditure</b>	<b>34,960</b>	<b>34,032</b>	<b>928</b>
(12,252)	Gross income	(11,375)	(11,495)	120
<b>17,463</b>	<b>Net expenditure</b>	<b>23,585</b>	<b>22,537</b>	<b>1,048</b>

Table 3 - Analysis of Significant Variances

Projected FY Variance favourable /(adverse) £'000	Directorate
600	<b>Service</b> - projected over-recovery in payroll management target of £0.600m, due to the net impact of: - delays in filling vacancies, vacancy freeze and utilisation of external funding resulting in a projected underspend of £0.820m, offset by -an overspend resulting from the difference between the budgeted 25/26 pay award of 3% and the approved 4% pay award for Local Government employees (£0.220m).
<b>600</b>	<b>Total projected variance</b>

Projected FY Variance favourable /(adverse) £'000	Communities
150	<b>Thriving Communities (Employability &amp; Skills)</b> - currently projected to be £0.150m underspent. This relates to core funding set aside to enhance external funding including NOLB & UKSPF, which is not anticipated to be required during 2025/26.
45	<b>Sport, Leisure &amp; Golf (Sport and Leisure)</b> - projected net underspend of £0.045m, despite the challenges of closures at both Prestwick and Troon facilities, for upgrades/refurbishments. This underspend to relates to the following: <ul style="list-style-type: none"> <li>- £0.075m underspend in repairs, maintenance and other property costs.</li> <li>- £0.080m over-recovery in income, across Learn2swim, health classes and Riverside.</li> <li>- Members approved changes to the management of Common Good Funds at the Council meeting of 14 May 2025, with the resultant changes implemented from 1 October 2025. The impact of these changes result in reduced costs for Sports, Leisure &amp; Golf related to property rental charges levied by the Common Good on the Council of £0.015m for the six-month period to 1 April 2026.</li> <li>- Capital Finance from Current Revenue (CFCR) - currently projected to be overspent by £0.125m within Citadel Leisure and Troon Leisure Club capital projects. Members are requested to approve a temporary budget transfer of £0.125m of this net underspend to capital to support capital expenditure on new health and fitness equipment as part of the planned refurbishment works at both the Citadel Leisure Centre and Troon Leisure Club, ensuring the facilities meet modern service standards and customer expectations (refer to <b>Table 4</b> below).</li> </ul>
60	<b>Sport, Leisure &amp; Golf (Golf)</b> - £0.060m net underspent, relating to £0.020m underspend in administration costs and a projected over-recovery in income (primarily within memberships) of £0.040m. Permanent budget transfers were approved at Period 6 to increase employee costs, supplies and services and income targets to reflect current projections.
132	<b>Destination South Ayrshire</b> - currently projected to be £0.132m underspent in relation to: <ul style="list-style-type: none"> <li>- a remaining balance of £0.089m of Local Authority Covid Economic Recovery (LACER) funding allocated in 2022/23 that was being utilised to extend existing contracts, which are now vacant. Members should note that the remaining balance of funds will be returned to Council reserves at the end of the financial year.</li> <li>- funding set aside to cover 3 years subscription fees (£0.035m). Members previously approved a request to earmark this underspend to be utilised in the next two financial years (refer to <b>Table 5</b> below).</li> <li>- Members approved changes to the management of Common Good Funds at the Council meeting of 14 May 2025, with the resultant changes implemented from 1 October 2025. The impact of these changes result in reduced costs for Destination South Ayrshire related to property rental charges levied by the Common Good on the Council of £0.008m for the six-month period to 1 April 2026.</li> </ul> <b>International Ayr Show</b> - Festival of Flight 2025 - Members approved (June 2025) access to funding from uncommitted reserves of a maximum sum of £590,000 for the International Ayr Show in 2025. A drawdown from reserves will not be required in relation to 2025 Ayrshow as all expenditure has been met from additional income and existing budgets within DSA. Members are requested to approve the temporary budget transfer to allocate budgets in relation to the sponsorship/sales income received (refer to <b>Table 4</b> below).
387	<b>Total projected variance</b>

Projected FY Variance favourable /(adverse) £'000	Transformation
200	<b>ICT Strategy &amp; Delivery</b> - currently projected to be £0.200m underspent in relation to ICT software maintenance contracts.
61	<b>Customer Services &amp; Public Affairs - IAAH (COVID Recovery Project)</b> - projected underspend of £0.052m. ELT have previously approved to utilise £0.050m of this underspend to extend 1fte temp level 8 Senior Advisor Post for 23 months from March 2024 and 1fte 23 month level 5 advisor post with immediate effect, however due to the challenge in filling short term contracts (12 month), these contracts will now continue into 2026/27. Members previously approved the earmarking of this underspend, to fund these contracts in 2026/27 (refer to <b>Table 5</b> below). In addition, Members approved changes to the management of Common Good Funds at the Council meeting of 14 May 2025, with the resultant changes due to be implemented from 1 October 2025. The impact of these changes result in reduced costs for Customer Services related to property rental charges levied by the Common Good on the Council of £0.009m for the six-month period to 1 April 2026.
(200)	<b>Transformation</b> - projected overspend of £0.200m due to short term unachievable savings target from 2023/24. This target relates to the overall Council Transformation programme and not specifically the Transformation team itself. The target will be considered for allocation as part of the overall Council transformation programme as projects are approved and savings identified.
<b>61</b>	<b>Total projected variance</b>

**Table 4 - Budget Transfer Requests**

		DR £'000	CR £'000
1	Sport and Leisure/Income		50
	Sport and Leisure/Property Costs		75
	Capital (Citadel Leisure and Troon Leisure Club)	125	
	<i>CFCR request to support capital expenditure on new health and fitness equipment as part of the planned refurbishment works at</i>		
2	International Ayr Show - Supplies and Services	290	
	International Ayr Show - Income		290
	<i>Allocation of sponsorship/parking/sales income budget to offset</i>		
<b>Total</b>		<b>415</b>	<b>415</b>

**Table 5 - Earmarking Requests**

	Objective/ Subjective	Amount £'000
<b>Previously Approved:</b>		
ELT 546 (04/03/24) - IAAH extend contracts	OD/Employee Costs	50
Miconex subscription - Years 2 and 3	DSA/Administration Costs	35
<b>Total</b>		<b>85</b>
<b>Comments:</b> Details included above.		

**Table 6 - Efficiency Savings**

	Target £'000	Anticipated shortfall £'000
Sport, Leisure & Golf - increase golf season ticket price by £5 per annum	35	0
Sport, Leisure & Golf - increase golf adult green fees by £2 per round	15	0
Sport, Leisure & Golf - increase monthly Learn2 membership by £1 per month	35	0
Sport, Leisure & Golf - targeted price increase for the usage of 3G pitches - £2/hr	6	0
Thriving Communities - reduce employability supplies & services budget	5	0
Thriving Communities - reduce 'School as Hub' budget	10	0
Economy & Regeneration - reduce transport and administration budgets	3	0
Transformation - restructure transformation PMO (delete vacant posts)	45	0
ICT Operations - reduction in ICT contracts	20	0
ICT Operations - reduce leased line rentals	12	0
<b>Total</b>	<b>186</b>	<b>0</b>

**Comments:**

Anticipated shortfalls in approved efficiencies have been included in the projections above.

**Table 7 - Payroll Management**

	Target £'000	Achieved at period 10 £'000	Remaining to be achieved £'000
Payroll Management - Corporate target	579	819	(240)
<b>Total</b>	<b>579</b>	<b>819</b>	<b>(240)</b>

**Comments:**

Currently projected to be £0.600m over-recovered.

**Table 8 - Grant Income**

<b>New Grants Received:</b>		
Amount £'000	Grant name/ body	Grant purpose
5	Scottish Government	Paths for All - Walking for Health
232	Scottish Government	CCLD
277	Scottish Government	NOLB
307	Scottish Government	NOLB (Child Poverty)
163	Scottish Government	UKSPF
2	Museums Galleries Scotland	Future Art Centres
191	Sport Scotland	Active Schools / Comm Sports Hub
72	Sport Scotland	Active Communities
58	Sport Scotland	Closing the Gap
1	Parkinsons	Parkinsons Grant
3	Macmillan Cancer Support	Cancer Support
26	Trussell Trust	South Ayrshire Foodbank
35	R&A Championship 152nd Open Legacy	Darley Golf Project
18	Scottish Enterprise	Modern Apprentice Grant
<b>1,390</b>		

**Comments:**

Additional amounts notified during the financial year, not included in original budget.

## Education Directorate

Table 1 - Objective Analysis

Actual Expenditure to 31 January £'000	Service	Full Year Budget 2025/26 £'000	Projected Full Year Actual to 31 March £'000	Projected FY Variance favourable /(adverse) £'000
391	Directorate	(2,928)	(1,347)	(1,581)
15,109	Education - Early Years	20,709	20,709	0
83,035	Education - Learning and Teaching Schools	94,895	95,040	(145)
15,801	Education - Learning and Teaching Additional Support	19,164	18,855	309
17,376	Education Support Services	20,992	20,774	218
<b>131,712</b>	<b>Total Education Directorate</b>	<b>152,832</b>	<b>154,031</b>	<b>(1,199)</b>

Table 2 - Subjective Analysis

Actual Expenditure to 31 January £'000	Account	Full Year Budget 2025/26 £'000	Projected Full Year Actual to 31 March £'000	Projected FY Variance favourable /(adverse) £'000
98,174	Employee costs	119,224	120,465	(1,241)
24,243	Property costs	27,536	27,478	58
1,457	Supplies and services costs	2,579	2,529	50
4,808	Transport costs	5,218	5,509	(291)
2,108	Administrative costs	1,987	1,987	0
5,185	Third party payments	7,474	7,474	0
370	Transfer payments	405	405	0
210	Financing costs	210	210	0
<b>136,555</b>	<b>Gross expenditure</b>	<b>164,633</b>	<b>166,057</b>	<b>(1,424)</b>
(4,843)	Gross income	(11,801)	(12,026)	225
<b>131,712</b>	<b>Net expenditure</b>	<b>152,832</b>	<b>154,031</b>	<b>(1,199)</b>

Table 3 - Analysis of Significant Variances

Projected FY Variance favourable /(adverse) £'000	Directorate
(1,581)	<b>Payroll Management Target</b> - currently projected to be £1.581m under-achieved, due to:- - the budget agreement between Local Government and Scottish Government (Dec 2024), to restore teacher numbers to 2023 levels (refer to Teaching Staff below) resulting in an underachievement of £0.700m (See Education - Schools section below for further details) - the difference between the budgeted 25/26 pay award of 3% and the approved 4% pay award for Local Government employees (£0.296m) and recently accepted 4% pay award for Teaching staff (£0.585m - Aug 25).
<b>(1,581)</b>	<b>Total projected variance</b>

Projected FY Variance favourable /(adverse) £'000	Education - Early Years
0	<b>Online</b>
<b>0</b>	<b>Total projected variance</b>

Projected FY Variance favourable /(adverse) £'000	Education - Schools
	<p><b>Teaching Staff</b> - As noted in the Directorate section above, the Payroll management target for 2025/26 is projected to be underachieved by £1.581m and is recorded centrally within the Directorate area. Part of the underachievement is in relation to the agreement between Local Government and SG to restore teacher numbers to 2023 levels (1172). However, after discussions between SAC and SG, teacher numbers for 2025/26 have been agreed at 1150, being the 1172, reduced by the agreed exceptional circumstances of:-</p> <ul style="list-style-type: none"> <li>- surplus unallocated probationers at the SG's request in 2023 (19fte)</li> <li>- a temporary increase in teaching capacity in place in 2023 in order to address a short-term issue, for example Ukrainian refugee support (2.9fte).</li> </ul> <p>The September census is now complete and allocation of probationers confirmed and a projected overspend of £0.700m is included within the under-achievement of payroll turnover. This projection may decrease if/when any temporary teachers outwith the Devolved School Management Allocations are vacated, as these posts will not be filled.</p>
100	<p><b>Pupil Equity Funding</b> - currently projected to be £0.100m underspent. PEF is provided on a financial year basis but used across an academic year by schools (August 2025 - August 2026) and has permissible carry forward (refer to <b>Table 5</b> below). SG reviewed 2023/24 funding in order to utilise £0.900m of the carry forward funding to manage pay pressures in 2023/24 and have committed that there will be an additional payment in 2026/27 when the programme ends. This should ensure that funding continues to be available at currently planned levels going forward with no detriment to schools.</p>
(245)	<p><b>Maintstream Pupil Transport</b> - currently projected to be overspent by £0.245m, based on recent Quarter information received from Strathclyde Passenger Transport (SPT).</p>
<b>(145)</b>	<b>Total projected variance</b>

Projected FY Variance favourable /(adverse) £'000	Education - Additional Support for Learning
130	<p><b>Whole Family Wellbeing Fund</b> - projected to be underspent by £0.130m in relation to WFWF to support the development of holistic whole family support services. This is primarily due to a delay in filling posts. Members previously approved earmarking of £0.055m of this underspend to fund both internal and external contracts during 2026/27 (refer to <b>Table 5</b> below).</p>
(46)	<p><b>ASN Framework Pupil Transport</b> - currently projected to be overspent by £0.046m, based on new 25/26 academic year contracts and rechargeable income from other local authorities.</p>
225	<p><b>Other local authority income</b>, in relation to specialist provision and pupil support recharges is projected to be over-recovered by £0.225m.</p>
<b>309</b>	<b>Total projected variance</b>

Projected FY Variance favourable /(adverse) £'000	Education - Support Services
218	<p><b>PPP</b> - currently projected to be £0.218m underspent, due to the net impact of:-</p> <ul style="list-style-type: none"> <li>- overspend of £0.076m in relation to the the budgeted RPI (391.8) being lower than the actual RPI (394 Feb 2025)</li> <li>- £0.294m underspend in relation to credit invoice received in relation to Joint Insurance Cost from E4A (2022-2024).</li> </ul>
<b>218</b>	<b>Total projected variance</b>

**Table 4 - Budget Transfer Requests**

		DR £'000	CR £'000
1	n/a		
<b>Total</b>		<b>0</b>	<b>0</b>

**Table 5 - Earmarking Requests**

	Objective/ Subjective	Amount £'000
<b>Previously approved:</b>		
Whole Family Wellbeing Fund	WFWF/Employee costs	55
<b>Total Requests Previously Approved</b>		<b>55</b>
<b>New requests :</b>		
Pupil Equity Fund	PEF/Various	100
<b>Total New Requests</b>		<b>100</b>
<b>Total</b>		<b>155</b>
<b>Comments:</b> Detail included above.		

**Table 6 - Efficiency Savings**

	Target £'000	Anticipated shortfall £'000
Redesign of Early Years Provision (Full year impact £300k)	185	0
Review Early Learning Team (Full year impact 25-26)	154	0
<b>Total</b>	<b>339</b>	<b>0</b>
<b>Comments:</b> No anticipated shortfalls.		

**Table 7 - Payroll Management**

	Target £'000	Achieved at period 10 £'000	Remaining to be achieved £'000
Payroll Management - Corporate target	3,278	2,300	978
Introduce Teacher Turnover Target - approved 2024-25	500	500	0
<b>Total</b>	<b>3,778</b>	<b>2,800</b>	<b>978</b>
<b>Comments:</b> Teachers turnover previously met through school roll reductions, however due maintaining teacher numbers to a SG agreed number these savings will not be met 2025-26.			

**Table 8 - Grant Income**

<b>New Grants Received:</b>		
Amount £'000	Grant name/ body	Grant purpose
60	Scottish Government	Care Experienced Children & Young People
9	Inspiring Scotland	Bright Spark Breakfast Club
48	Creative Scotland	Youth Music Initiative
39	Ayrshire Chamber of Commerce	Developing Young Workforce
<b>156</b>		
<b>Comments:</b> Additional amounts notified during the financial year, not included in original budget.		

## Housing Operations &amp; Development

Table 1 - Objective Analysis

Actual Expenditure to 31 January £'000	Service	Full Year Budget 2025/26 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000
<b>8,434</b>	<b>Directorate</b>	<b>9,819</b>	<b>10,001</b>	<b>(182)</b>
337	Directorate	441	431	10
8,097	Ayrshire Roads Alliance/SPT	9,378	9,570	(192)
<b>7,845</b>	<b>Planning &amp; Development</b>	<b>6,895</b>	<b>6,960</b>	<b>(65)</b>
5,621	Asset Management and Community Asset Transfer	6,185	6,572	(387)
783	Planning and Building Standards	1,198	934	264
732	Professional Design Services	(547)	(605)	58
709	Special Property Projects	59	59	0
<b>29,236</b>	<b>Housing &amp; Operations</b>	<b>30,470</b>	<b>28,946</b>	<b>1,524</b>
10,028	Facilities Management	13,467	12,723	744
(1,139)	Housing Services	1,442	1,145	297
12,943	Neighbourhood Services	15,576	15,038	538
7,404	Property Maintenance	(15)	40	(55)
<b>45,515</b>	<b>Total Housing Operations &amp; Development</b>	<b>47,184</b>	<b>45,907</b>	<b>1,277</b>

Table 2 - Subjective Analysis

Actual Expenditure to 31 January £'000	Account	Full Year Budget 2025/26 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000
30,461	Employee costs	39,455	37,897	1,558
6,562	Property costs	7,174	7,433	(259)
10,609	Supplies and services costs	12,173	11,998	175
5,916	Transport costs	7,189	7,046	143
954	Administrative costs	1,065	1,110	(45)
14,466	Third party payments	17,333	17,878	(545)
<b>68,968</b>	<b>Gross expenditure</b>	<b>84,389</b>	<b>83,362</b>	<b>1,027</b>
(23,453)	Gross income	(37,205)	(37,455)	250
<b>45,515</b>	<b>Net expenditure</b>	<b>47,184</b>	<b>45,907</b>	<b>1,277</b>

Table 3 - Analysis of Significant Variances

Projected Variance favourable /(adverse) £'000	Directorate
10	Directorate - projected underspend of £0.010m as a result of; <b>Administration costs</b> - projected underspend of £0.010m across small budget lines
<b>10</b>	<b>Total projected variance</b>

Projected Variance favourable /(adverse) £'000	Ayrshire Roads Alliance/SPT
(192)	<b>Ayrshire Roads Alliance</b> - projected overspend of £0.192m as a result of increased transport costs (£0.055m) and reduced income levels (£0.300m capital and £0.162m ad hoc) offset by an underspend of £0.325m in relation to Girvan harbour dredging.  Members approved a resource pressure of £325k in the Council's 2025/26 budget for dredging of Girvan harbour. It has been confirmed that this cannot take place prior to 31 March due to the lack of availability of contractors. As a result of fisheries restrictions in place between 14th March to 1st June, the work is now planned for early June 2026. Members are requested to approve this funding is earmarked for carry forward to 2026/27 to allow this work to be carried out ( <b>Table 5</b> below).
<b>(192)</b>	<b>Total projected variance</b>

Projected Variance favourable /(adverse) £'000	<b>Asset Management &amp; Community Asset Transfer</b>
(387)	<p><b>Asset Management</b> - projected overspend of £0.387m ;</p> <p><b>Property costs</b> - projected overspend of £0.411m. This is mainly due to the delay in delivering the proposed office rationalisation saving (£0.200m), CRA costs (£0.028m) an overspend of £0.025m in utilities costs incurred at the Arran Mall, County Buildings repairs and maintenance costs of £0.051m, and an overspend of £0.062m in service and repair costs of Public Conveniences. These overspends are partly offset by underspends in reduced repair and maintenance costs in Health &amp; Social Care occupied buildings (£0.020m), as well as a projected underspend of £0.160m in rent, rates and utilities for McCalls Avenue, as these costs are now shared with other Council services. In addition, Members approved changes to the management of Common Good Funds at the Council meeting of 14 May 2025, with the resultant changes implemented from 1 October 2025. The impact of these changes result in additional costs for Asset Management of £0.225m for the six-month period to 1 April 2026 in respect of NDR, Utilities and Repairs &amp; Maintenance cost relating to the newly introduced Full Repairing and Insurance lease arrangements</p> <p><b>Supplies &amp; Services costs</b> - projected overspend of £0.050m mainly related ICT and equipment costs.</p> <p><b>Transport costs</b> - projected overspend of £0.010m due to increased vehicle costs.</p> <p><b>Administrative Costs</b> - projected underspend of £0.007m across various admin supplies.</p> <p><b>Third Party Payments</b> - projected underspend of £0.018m on energy efficiency costs.</p> <p><b>Income</b> - projected over recovery of £0.059m in rental income from Industrial units and other general properties based on current demand.</p>
<b>(387)</b>	<b>Total projected variance</b>

Projected Variance favourable /(adverse) £'000	<b>Planning &amp; Building Standards</b>
264	<p><b>Planning &amp; Building Standards</b> - projected underspend of £0.264m as a result of;</p> <p><b>Employee costs</b> - projected underspend of £0.325m as a result of current vacancies. There is a hold on recruitment in place until the service redesign is complete</p> <p><b>Supplies &amp; Services costs</b> - projected overspend of £0.121m in consultancy costs. This relates to the ongoing legal and specialist experts costs in relation to Planning Application reviews.</p> <p><b>Income</b> - projected over-recovery of £0.060m mainly due to an upturn in Building Warrant Fee income</p> <p>Members approved earmarking at Period 6 of £0.040m of the service underspend to fund the ongoing transport assessment costs as part of LDP2 in 2026/27</p>
<b>264</b>	<b>Total projected variance</b>

Projected Variance favourable /(adverse) £'000	<b>Professional Design Services</b>
58	<b>Professional Design Services</b> - projected underspend of £0.058m as a result of current vacancies.
<b>58</b>	<b>Total projected variance</b>

Projected Variance favourable /(adverse) £'000	<b>Special Property Projects</b>
0	No material variance to report.
<b>0</b>	<b>Total projected variance</b>

Projected Variance favourable /(adverse) £'000	Facilities Management
744	<p><b>Facilities Management</b> - projected underspend of £0.744m as a result of;</p> <p><b>Employee Costs</b> - projected underspend of £0.728m due to current vacancies along with much lower than anticipated sickness levels in comparison to prior years and also lower costs as a result of reduced commercial catering (see income below)</p> <p><b>Property Costs</b> - projected underspend of £0.103m due to a reduction in contract cleaning costs and also in cleaning &amp; domestic supplies as a result of new contracts now in place</p> <p><b>Supplies &amp; Services Costs</b> - projected overspend of £0.042m due to increased cost of food and catering sundries (£0.131m) offset by a projected underspend in kitchen equipment (£0.089m). Members are requested to approve earmarking of the underspend of £0.089m (<b>Table 5</b> below) to fund identified kitchen upgrades due in early 2026/27 as Scottish Government capital funding for the roll out of universal free meals has now been fully used.</p> <p><b>Transport costs</b> - projected underspend of £0.081m due to reduced use of taxis and lease costs due to increased lead times for supply of replacement vehicles</p> <p><b>Income</b> - projected under-recovery of £0.126m as a result of the reduced meal sales due to the impact of the ongoing rollout of Nursery free school meals (£0.049m) along with a decrease in the uptake of staff school meals (£0.010m) and special catering income from functions and events (£0.067m) which is offset by the corresponding underspend on employee costs noted above.</p>
<b>744</b>	<b>Total projected variance</b>

Projected Variance favourable /(adverse) £'000	Housing Services
297	<p><b>Housing Services</b> - projected underspend of £0.297m as a result of;</p> <p><b>Employee Costs</b> - projected underspend of £0.191m due to current vacancies.</p> <p><b>Property Costs</b> - projected overspend of £0.028m. This mainly relates to an overspend in inlets as a result of the increased demand for temporary homeless accommodation.</p> <p><b>Supplies &amp; Services Costs</b> - projected underspend of £0.050m. This relates to furniture costs (£0.020m) and removal and storage costs (£0.060m) in homeless properties</p> <p><b>Administrative Costs</b> - projected overspend of £0.090m. This is mainly due to an overspend (£0.097m) in bad debts related to increased arrears in homeless rental income. This is due to a combination of increased use of hotel and bed and breakfast accommodation where high turnover makes it challenging to secure DWP subsidy, and an increase in the number of homeless households who are in work and who find it challenging to pay the high cost of rent. This is partly offset by underspends (£0.007m) across various budgets.</p> <p><b>Transport Costs</b> - projected overspend of £0.004m due to increased vehicle costs.</p> <p><b>Third Party Payments</b> - projected underspend of £0.035m, which is mainly due to an underspend of £0.040m in DWP Benefits subsidy which the service utilise for the Tenant Hardship Fund as approved by Cabinet of 12 March 2024. Members are requested to approve earmarking of this underspend for carry forward to 2026/27 to meet the ongoing demand for this homelessness support (see <b>Table 5</b> below)</p> <p><b>Income</b> - projected over recovery of £0.143m. This relates to an increased number of temporary accommodation units being utilised from the HRA stock which has been necessary to meet increased demand for homeless accommodation.</p> <p>Essential works at Viewfield Gate hostel are required to replace the boiler and repair the lift. The cost of these works is £0.205m and Housing Services will be required to fund £0.154m of this from revenue budgets as there is insufficient capital budgets available. Members are requested to approve earmarking of £0.154m of the service underspend for carry forward to 2026/27 to complete this work to meet DDA compliance (see <b>Table 5</b> below)</p>
<b>297</b>	<b>Total projected variance</b>

Projected Variance favourable / (adverse) £'000	Neighbourhood Services
538	<p><b>Neighbourhood Services</b> - projected underspend of £0.538m as a result of;</p> <p><b>Employee costs</b> - projected underspend of £0.256m as a result of current vacancies.</p> <p><b>Property costs</b> - projected underspend of £0.077m within general repairs &amp; maintenance costs.</p> <p><b>Supplies &amp; Services Costs</b> - projected underspend £0.338m within waste operations general equipment costs. Members are requested to approve earmarking of £0.048m (<b>Table 5</b> below) of this underspend for carry forward to 2026/27 to fund the stage payments for the installation of the new Bereavement management system and £0.096m to fund the essential replacement of the waste compactors at Girvan Waste Recycling Centre due to significant lead times for this supply.</p> <p><b>Transport costs</b> - projected underspend of £0.076m due to increased lead times for supply of replacement vehicles.</p> <p><b>Administration costs</b> - projected underspend of £0.028m across small budget lines.</p> <p><b>Third Party payments</b> - projected overspend of £0.406m in relation to waste disposal costs as new contracts are negotiated for the different waste streams,</p> <p><b>Income</b> - projected over-recovery of £0.169m as a result of increased Garden Waste permit income (£0.515m), an increase in recharge of works to ARA (£0.079m) offset by reduced DEFRA funding for the EPR for Packaging scheme (£0.317m) and an under-recovery in commercial waste income (£0.166m). In addition, Members approved changes to the management of Common Good Funds at Council of 14 May 2025 with the resultant changes implemented from 1 October 2025. The impact of these changes result in additional income for Neighbourhood Services related to increased grounds maintenance charges to the Common Good of £0.058m for the six month period to 31 March 2026.</p> <p>Members are requested to note that Cabinet of 17 February 2026 approved earmarking of £0.220m of the service underspend for carry forward to 2026/27 to fund the ongoing costs in relation to ash dieback (<b>Table 5</b> below)</p>
<b>538</b>	<b>Total projected variance</b>

Projected Variance favourable / (adverse) £'000	Property Maintenance
(55)	<p><b>Property Maintenance Service</b> - projected overspend of £0.055m as a result of ;</p> <p><b>Income</b> - projected under recovery of £0.055m as a result of the approved removal of the factoring services project by the Transformation Board of 21 October 2025. This project if implemented in the future would be an HRA saving and not General Services.</p>
<b>(55)</b>	<b>Total projected variance</b>

**Table 4 - Budget Transfer Requests**

		DR £'000	CR £'000
<b>1</b>	<i>Housing Services/Third Party Payments</i>	60	
	<i>Housing Services/Income</i>		60
	<i>Being utilisation of the 2025/26 DWP Benefits Subsidy to fund the current demand for the Tenant Hardship Fund</i>		
<b>2</b>	<i>Housing Services/Employee Costs</i>	35	
	<i>Housing Services/Third Party Payments</i>		35
	<i>Being utilisation of the 2024/25 DWP Benefits Subsidy surplus to fund</i>		
<b>Total</b>		<b>95</b>	<b>95</b>

**Table 5 - Earmarking Requests**

	Objective/ Subjective	Amount £'000
<b>Previously approved:</b>		
Required to fully complete the road traffic assessment required as part of Ash Dieback - approved at Cabinet 17 February 2026	Planning & Building	40
	Neighbourhood Services/Third	220
<b>Total Requests Previously Approved</b>		<b>260</b>
<b>New requests :</b>		
Girvan harbour dredging	ARA/Third party payments	325
Bereavement service software (Plotbox) - 2nd stage payment due 26/27	Neighbourhood Services/TPP	48
Waste compactors at Girvan HWRC	Neighbourhood Services/Supplies & Services	96
Viewfield Gate boiler replacement and lift works	Housing Services/Property costs	154
Continue support for Tenant Hardship Fund in 26/27	Housing Services/TPP	40
School kitchen upgrades	Facilities Mgt/Supplies & Services	89
<b>Total New Requests</b>		<b>752</b>
<b>Total Earmarking Requests</b>		<b>1,012</b>

**Table 6 - Efficiency Savings**

		Targeted £'000	Anticipated shortfall £'000
ARA	Motorhome parking scheme	19	0
	Move from HVO back to diesel fuel for all ARA fleet	25	0
	Increase charges for permits/notices by 5%	6	0
	Increase harbour dues by 5%	3	0
	Apply charges to additional car parks	110	0
Asset Management	Asset Management and Community asset Transfer - Income generation delivered from licence fees from pop up sites	2	0
Neighbourhood Services	Increase charges for allotments by 30% for 2025-26; 15% for 2026-27 and 15% in 2027-28	2	0
	Increase Bereavement prices by 3% each year	21	0
	Increase commercial waste collection charges on certain waste streams	62	0
	Establish income target for sale of recycle	50	0
Property Maintenance	Property Maintenance - Private property maintenance and factoring Income generation delivered from new service	55	55
Planning & Building Standards	Introduce charge for forestry consultations (£200 per consultation)	4	0
	Introduce charge to developer for Street naming & numbering process	5	0
	Introduce charge for individual house naming (£250 each)	2	0
	Increase Pre application consultation fees in Planning to £3,000 for	10	0
	Increase all non-statutory fees by 3%	1	0
<b>Total</b>		<b>377</b>	<b>55</b>

**Table 7 - Payroll Management**

Payroll Management:	Targeted £'000	Achieved at period 10 £'000	Remaining to be achieved £'000
Payroll Management - Corporate target	1,268	1,057	211
Payroll Management - Directorate target	0	0	0
<b>Total</b>	<b>1,268</b>	<b>1,057</b>	<b>211</b>
<b>Comments:</b> It is anticipated that payroll turnover will be achieved in full.			

**Table 8 - Grant Income**

<b>New Grants Received:</b>		
Amount £'000	Grant name/ body	Grant purpose
28	Keep Britain Tidy	Chewing Gum removal
20	Scottish Government	School milk
95	Scottish Government	Ukraine & others resettlement
<b>143</b>		
<b>Comments:</b>		
The above grants which have been received during the financial year were not part of the approved Directorate budget.		

## Social Care

Table 1 - Objective Analysis

Actual Expenditure to 31 January £'000	Service	Full Year Budget 2025/26 £'000	Projected Full Year Actual to 31 March £'000	Projected FY Variance favourable /(adverse) £'000
	<b>Community Care Services :</b>			
50,388	Older People	62,049	62,665	(616)
4,343	Physical Disabilities	5,419	5,486	(67)
<b>54,731</b>	<b>Total Community Care Services</b>	<b>67,468</b>	<b>68,151</b>	<b>(683)</b>
17,092	Children's Services	24,668	22,649	2,019
(172)	Justice Services	(4)	(4)	0
<b>16,920</b>	<b>Total Children and Justice Services</b>	<b>24,664</b>	<b>22,645</b>	<b>2,019</b>
22,371	Learning Disabilities	27,677	29,175	(1,498)
4,118	Mental Health	5,179	5,535	(356)
1,194	Addiction	2,081	2,080	1
<b>27,683</b>	<b>Total Mental Health Services</b>	<b>34,937</b>	<b>36,790</b>	<b>(1,853)</b>
4,586	Directorate Services	7,419	7,011	408
1	Other Services	3	1	2
0	Vacancy management	(2,523)	(2,117)	(406)
<b>4,587</b>	<b>Total Support Services</b>	<b>4,900</b>	<b>4,895</b>	<b>5</b>
508	<b>Integrated Care Fund/Delayed Discharges</b>	531	528	3
(15,042)	<b>Interagency payments with Health</b>	(21,579)	(21,579)	0
<b>89,387</b>	<b>HSCP Sub-total</b>	<b>110,921</b>	<b>111,430</b>	<b>(509)</b>
157	Aids and Adaptations etc	833	833	0
<b>89,544</b>	<b>Final HSCP total</b>	<b>111,754</b>	<b>112,263</b>	<b>(509)</b>
<b>Earmarking requests</b>				<b>0</b>

**Health & Social Care Partnership** - the above table provides an overview statement of the financial budget and projected out-turn position for the Council element of the Integration Joint Board (IJB) for 2025/26 as at 31st January (Period 10).

The table above includes £5.008m transferred from reserves, leaving a balance of £4.610m, of which £4.013m is committed and earmarked to be used in future years. The uncommitted balance of £0.597m has been allocated in year to older people residential care placements to meet demand greater than budgeted.

**The Period 10 projections are based on estimates and judgements on spend to date, review of contracts and review of care packages / residential placements, along with discussion with service managers. Period 10 will be presented to the IJB at the 11th of March 2026 meeting.**

## Miscellaneous Services

Table 1 - Objective Analysis

Actual Expenditure to 31 January £'000	Service	Full Year Budget 2025/26 £'000	Projected FY Actual to 31 March £'000	FY Variance Favourable /(Adverse) £'000
3,839	Miscellaneous Services	27,064	24,745	2,319
<b>3,839</b>	<b>Total Miscellaneous Services</b>	<b>27,064</b>	<b>24,745</b>	<b>2,319</b>

Table 2 - Subjective Analysis

Actual Expenditure to 31 January £'000	Account	Full Year Budget 2025/26 £'000	Projected FY Actual to 31 March £'000	FY Variance Favourable /(Adverse) £'000
0	Debt management charges	20,133	20,676	(543)
0	Investment income	(1,930)	(1,743)	(187)
0	Recharges to other services	(1,886)	(1,886)	0
769	Requisitions and other initiatives	969	956	13
639	Employee provision	3,107	798	2,309
221	Fees and subscriptions	489	552	(63)
1,561	Other payments	5,584	4,336	1,248
37	Covid-19 costs	0	26	(26)
790	Salary sacrifice schemes	550	450	100
11	Equal pay	0	0	0
335	Storm Eowyn costs	0	340	(340)
0	PPP flexibility/ IFRS 16 adjustments	(3,859)	(3,163)	(696)
0	Contribution to Reserves	3,928	3,928	0
<b>4,363</b>	<b>Gross expenditure</b>	<b>27,085</b>	<b>25,270</b>	<b>1,815</b>
(524)	Gross income	(21)	(525)	504
<b>3,839</b>	<b>Net expenditure</b>	<b>27,064</b>	<b>24,745</b>	<b>2,319</b>

Table 3 - Analysis of Significant Variances

FY Variance Favourable /(Adverse) £'000	Miscellaneous Services
(543)	<b>Debt management charges:</b> the budget comprising £6.408m for loan principal, £13.552m for interest costs and £0.173m for loans fund expenses. A full year overspend of £0.543m is currently projected in interest and expenses. This overspend on expenses relates to the planned repayment of developers contributions prior to the year-end.
(187)	<b>Investment income:</b> the budget is based on an estimate of the average revenue balances held during the year at an assumed interest rate return of 4.00% on those balances. Investment income for the full year is currently projected to be £1.730m, a shortfall of £0.187m due to lower than anticipated revenue balances held by General Services.
2,309	<b>Employee provision:</b> the projected underspend relates to General Revenue Grant funding Redeterminations for pay, received from Scottish Government in recent weeks. This underspend is referred to in the covering report and will be allocated across services to help fund the impact of national pay awards.
(63)	<b>Fees and subscriptions:</b> the projected full year overspend relates primarily to increased national CoSLA subscriptions (£0.049m).

1,248	<b>Other payments:</b> the projected net underspend of £1.248m comprised the following significant elements: - £0.868m projected underspend in energy costs across all Council services but reported corporately within Miscellaneous Services, in what continues to be a fluctuating energy price market; - £0.277m projected underspend on insurance costs (net of third party claims); - £0.143m projected underspend in unfunded pension cost payments to Strathclyde Pension Fund; and - £0.130m over recovery of efficiencies relating to employee purchased additional leave. Partly offsetting those projected underspends is a projected overspend of £0.176m, of which £0.135m relates to increases in Non-Domestic Rates charges.
100	<b>Salary sacrifice schemes:</b> the projected full year underspend comprises both car leasing and employee benefit schemes, based on orders received less the cost of administering the schemes and factoring in the £0.185m savings target recorded within Human Resources.
(340)	<b>Storm Eowyn costs:</b> this comprises non-employee expenditure incurred during 2025/26 in the aftermath of Storm Eowyn in January 2025. This expenditure includes remedial work on Council properties including schools, some of which was scheduled to coincide with the school summer holiday and other work relating to tree maintenance and recovery which was delayed due to the high level of demand for such services in the immediate aftermath of the storm. A full year overspend of £0.340m is projected.
(696)	<b>PPP flexibility/ IFRS 16 adjustments:</b> following the initial implementation of the accounting standard <i>IFRS 16 Leases</i> in 2024/25, the revenue budget implications and initial anticipated benefit have been reassessed in the current year based on revised and updated information, resulting in an anticipated under-recovery of £0.696m.
504	<b>Income:</b> primarily relates to non-recurring income returned from West of Scotland Loans Fund/ ERDF.
<b>2,319</b>	<b>Total projected full year variance</b>

**Table 4 - Budget Transfer Requests**

	DR £'000	CR £'000
<b>Total</b>	<b>0</b>	<b>0</b>

**Table 5 - Earmarking Requests**

	Objective/ Subjective	Amount £'000
	Service/ Account	
<b>Total</b>		<b>0</b>
<b>Comments:</b> No earmarking requests identified for Miscellaneous Services.		

**Table 6 - Efficiency Savings**

	Target £'000	Over recovery £'000
Purchase of additional leave: target to be allocated across services	200	130
Additional AVCs: on-cost savings	48	0
<b>Total</b>	<b>248</b>	<b>130</b>
<b>Comments:</b> Savings targets are expected to be fully achieved during the year.		

**Table 7 - Payroll Management**

	£'000	£'000
<b>Total</b>	<b>0</b>	<b>0</b>
<b>Comments:</b> No payroll management target allocated to Miscellaneous Services.		

## Housing Revenue Account

Table 1 - Objective Analysis

Actual Expenditure to 31 January £'000	Service	Full Year Budget 2025/26 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000
(19,577)	Housing Revenue Account	0	(2,053)	2,053
(19,577)		0	(2,053)	2,053

Table 2 - Subjective Analysis

Actual Expenditure to 31 January £'000	Service	Full Year Budget 2025/26 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000
4,206	Employee costs	5,168	5,168	0
7,425	Property costs	16,990	15,563	1,427
504	Supplies and services costs	338	267	71
73	Transport costs	73	83	(10)
1,047	Administrative costs	2,306	1,793	513
45	Support services costs	1,899	1,899	0
17	Third party payments	33	20	13
142	Transfer payments	119	169	(50)
0	Financing costs	8,616	8,668	(52)
3,226	CFCR	3,226	3,226	0
<b>16,685</b>	<b>Gross expenditure</b>	<b>38,768</b>	<b>36,856</b>	<b>1,912</b>
(36,262)	Income	(38,768)	(38,909)	141
<b>(19,577)</b>	<b>Net expenditure</b>	<b>0</b>	<b>(2,053)</b>	<b>2,053</b>

Table 3 - Financial Variance Analysis

Projected Variance favourable /(adverse) £'000	Housing Revenue Account
1,427	<b>Property Costs</b> - projected underspend of £1.427m. This is mainly due to an underspend of £1.251m in the cost of repairs to council houses, where management action undertaken has reduced the use of sub contractors by increasing efficiency to keep an increased level of work "in house". There has also been additional income of £0.154m received from the Councils' insurance provider in relation to the claim made for storm damage in 2024 to cover costs incurred at that time. In addition, there is a projected underspend of £0.040m in electricity costs and various small underspends across other budget lines totalling £0.025m. These underspends are partially offset with an increase in Unlets costs (£0.018m) and Decants (£0.025m).
71	<b>Supplies &amp; Services</b> - projected underspend of £0.071m mainly due to reductions in legal fees (£0.030m) and removal & storage costs (£0.020m), with small underspends across various other
(10)	<b>Transport Costs</b> - projected overspend of £0.010m due to increased vehicle lease costs.
513	<b>Administrative costs</b> - projected underspend of £0.513m. This is due to projected underspends on telecomms charges (£0.036m), subscriptions (£0.010m), training (£0.022m) and postages and stationery (£0.045m). There is also a projected underspend of £0.400m in bad debts based on the current level of arrears of council house rental income.
(37)	<b>Third Party Payments and Transfer Payments</b> - projected overspend of £0.037m. This is due to a projected overspend of £0.050m on redecoration allowances, which is partly offset by a projected underspend of £0.013m on charges from other Council services.
(52)	<b>Financing costs</b> - projected net overspend of £0.052m comprising: - Principal, Interest payments and expenses - projected underspend of £0.052m on principal, interest and expenses, which relates to the timing of loan payments and interest rates of temporary loan debt. - Interest income on revenue balances - projected online as a result of the Loans Fund meeting the originally estimated rate of interest on investments.

141	<b>Income</b> - over recovery of £0.141m. This is due to a projected over recovery in rental income related to the impact of new builds coming into stock and available for renting.
<b>2,053</b>	<b>Total projected variance</b>
<b>Comments:</b>	

**Table 4 - Accumulated Surplus**

<b>Accumulated Surplus</b>	<b>Amount £'000</b>	<b>Amount £'000</b>
<b>HRA accumulated surplus as at 1 April 2025</b>	<b>4,464</b>	
<b>Current year projected surplus</b>	<b>2,053</b>	
<b>Minimum working balance</b>	<b>(2,000)</b>	
<b>Projected surplus available for spend for the year ended 31 March 2026</b>		<b>4,517</b>
<b>Current commitments:</b>		
<b>Capital:</b>		
Reduce the number of unlet properties		(500)
Potential overspend on capital works to void properties		(800)
<b>Revenue:</b>		
Transformation within Housing - support costs. Also to fund and support a project team to progress the implementation of a Housing Asset Management System which is an audit requirement. Implementation period is expected to be 18 -24 months.		(344)
Costs associated with Home Loss Payments at Riverside High Flats and provision for Disturbance Allowance approved by Leadership Panel 26 November 2019		(169)
Fund Insurance policy excess costs (The uninsured excess level has increased from £1,000 to £50,000 per claim under the new policy conditions).		(500)
Rain Water Harvesting Systems - Funding for initial inspection, service and any remedial works following commission of the RWH system, before cyclical maintenance regime is established.		(50)
Fund external maintenance and repairs and maintenance budgets to support service delivery and allow more planned and preventative work		(500)
<b>Total current commitments</b>		<b>(2,863)</b>
<b>Projected uncommitted surplus as at 31 March 2026</b>		<b>1,654</b>
<b>Comments:</b>		
<p>The service is currently carrying out regular detailed reviews of both revenue and capital budgets to ensure that costs can be maintained within approved budgets. During 2025/26, the scope of external maintenance has focussed on 'essential works' to ensure that this could be funded from the overall repairs and maintenance budgets, this has resulted in reduced expenditure in this area. It is proposed to earmark £0.500m to support the external maintenance and wider repairs budget to support service delivery and to allow more planned and preventative work to be undertaken if required. During 2026/27 there will be further scrutiny of those budgets leading into the next rent setting cycle as well as discussions about utilisation of the uncommitted surplus to support repairs and maintenance of Council houses and investment in modernisation and new build programmes.</p>		

**Table 5 - Rent Arrears**

<b>Rent Arrears</b>	<b>As at 31 January 2025</b>	<b>As at 31 January 2026</b>	<b>Movement</b>
Current Tenants – Mainstream	1,334	1,340	0%
Former Tenants – Mainstream	736	661	-10%
<b>Total</b>	<b>2,070</b>	<b>2,001</b>	<b>-3%</b>
<b>Comments:</b>			
<p>Historically, the Council has performed well in the areas of rent arrears management and the collection of rental income. From the 2023/24 benchmarking information, the Council was the best performing local authority in terms of overall arrears at 4.63% of the rent due for the 2023/24 reporting year. Rent arrears is an area of focused activity with a dedicated team managing rent accounts and progressing necessary recovery actions, while supporting tenants in arrears. Officers are continuing to make contact and engage with tenants to provide ongoing advice and support to those households who are experiencing hardship. As an alternative to using legal action for recovery, every effort is being made to secure repayment arrangements and actively apply for Alternative Payment Arrangements (APA's) for housing costs to be paid direct to the Council from the Department of Works and Pensions for households in receipt of Universal Credit. The current decrease in rent arrears has been factored into the Bad Debt Provision out-turn figure noted above in Table 3.</p>			

## Common Good Funds

Table 1 - Objective Analysis

Actual Net Expenditure/ (Income) to 31 January £'000	Common Good Fund	Full Year Net Budget 2025/26 £'000	Projected FY Actual to 31 March £'000	Projected FY Variance Favourable /(Adverse) £'000
84	Ayr Common Good Fund	0	(8)	8
9	Prestwick Common Good Fund	0	6	(6)
0	Troon Common Good Fund	0	(1)	1
0	Maybole Common Good Fund	0	0	0
44	Girvan Common Good Fund	0	0	0
<b>137</b>		<b>0</b>	<b>(3)</b>	<b>3</b>

Table 3 - Financial Variance Analysis

Projected FY Variance Favourable /(Adverse) £'000	Common Good Fund
8	<b><u>Ayr Common Good Fund:</u></b> A net full -year underspend of £0.008m is currently projected, comprising a projected underspend of £0.030m on property costs attributable to repairs and maintenance, utilities, insurance and energy costs (£0.083m) following the approved changes to management arrangements between the Common Good Funds and the Council from 1 October 2025, partly offset by increased grounds maintenance charges (£0.053m) as part of the same arrangement. That underspend is partly offset by a £0.027m under-recovery in rental income, again as a consequence of the new management arrangements. A further small over-recovery of £0.005m is due to additional interest income as a result of higher than anticipated interest rates.
(6)	<b><u>Prestwick Common Good Fund:</u></b> An overspend of £0.006m at the year-end is currently projected, due to the impact of updated grounds maintenance charges from the Council during the second half of the financial year, as part of the approved changes to management arrangements between the Common Good Funds and the Council.
1	<b><u>Troon Common Good Fund:</u></b> A favourable variance of £0.001m at the year-end is currently projected, due to additional interest income as a result of higher than anticipated interest rates.
<b>3</b>	<b>Total projected variance</b>

**Table 4 - Accumulated Revenue Reserves**

<b>Common Good Fund</b>	<b>Reserves as at 1 April 2025 £'000</b>	<b>Reserves as at 31 December 2025 £'000</b>	<b>Projected Reserves as at 31 March 2026 £'000</b>
Ayr Common Good Fund	135	51	143
Prestwick Common Good Fund	251	242	246
Troon Common Good Fund	39	39	40
Maybole Common Good Fund	2	2	2
Girvan Common Good Fund	9	(34)	9
<b>Total</b>	<b>436</b>	<b>300</b>	<b>440</b>

**Comments:**

Following significant pressure in recent years on Common Good Funds property budgets, at the Council meeting in May Members approved changes to the management arrangements for Common Good Funds, including the nature of property lease agreements between the Council and the Common Good Funds. These changes took effect from 1 October 2025 and the financial impact for both parties has been assessed for both the remainder of this financial year and in developing the approved 2026/27 Common Good budgets.

**Table 5 - Accumulated Capital Reserves**

<b>Common Good Fund</b>	<b>Reserves as at 1 April 2025 £'000</b>	<b>Reserves as at 31 December 2025 £'000</b>	<b>Projected Reserves as at 31 March 2026 £'000</b>
Ayr Common Good Fund	147	(378)	157
Prestwick Common Good Fund	35	35	35
<b>Total</b>	<b>182</b>	<b>(343)</b>	<b>192</b>

**Comments:**

Ayr Common Good Fund's capital reserve will receive a contribution from the Council in respect of reinstatement work on fire-damaged property in Ayr High Street.

**Summary of Current General Services Reserves Position  
as at 31 January 2026**

	<i>£m</i>	<i>£m</i>
<b>1) Accumulated reserves brought forward from 2024/25</b>		<b>23.270</b>
<b>Funds set aside for specific purposes:</b>		
Affordable Homes Fund	1.723	
Transformation Fund	5.135	
Workforce Change Fund	5.449	
Ash Tree Die back	0.233	
Ayrshire Growth Deal PMO	0.039	
Civil Contingency (3 Ayrshire reserve commitment)	0.124	
Community Halls Fund	0.500	
Financial Inclusion	0.704	
PPP Reserve commitment to 2026/27 budget	2.000	
General Service earmarking brought forward	2.559	<b>18.466</b>
<b>Uncommitted reserves brought forward as at 31 March 2025</b>		<b>4.804</b>
<b>2) Movement in 2025/26</b>		
<b>i) Approved contribution to uncommitted reserve</b>		<b>3.928</b>
<b>ii) Cabinet/Council approved in year draws:</b>		
Cabinet of 28 May 2025 – Social Care Support	(0.151)	
Council of 26 June 2025 - Ayr Show (maximum commitment)	(0.590)	
Cabinet of 23 August - Ayr Show sponsorship income (reduces June commitment)	0.161	<b>(0.580)</b>
<b>iii) Directorate budget projections:</b>		
Service projections (including SG pay funding)		<b>2.827</b>
<b>iv) Budget contribution 2026/27:</b>		
Council of 5 <sup>th</sup> March 2026		<b>(1.365)</b>
<b>Projected uncommitted reserves at 31 March 2026</b>		<b>9.614</b>